APPENDIX 4

REMUNERATION POLICY FOR BOARD MEMBERS AND EXECUTIVE COMMITTEE MEMBERS

When developing the new remuneration policy for Board Members and Executive Committee members, the Board took into account its responsibility for the design of a tailor-made system which was appropriate to the performance of both Ageas and its executives and employees. The Board recognised that careful attention needed to be given not only to performance incentives, but also to Ageas's corporate values, strategy, quality and sustainability of the business, and risk profile.

The remuneration policy has been applied since 1 January 2010 and regularly updated since.

4.1. THE REMUNERATION OF BOARD MEMBERS

Remuneration of Board Members is determined by the Board and approved by the General Meeting. Detailed proposals for remuneration of Non-Executive Board Members are formulated by the RC, based on advice from outside experts. The levels and structure of the remuneration of Non-Executive Board Members are determined on the basis of their general and specific responsibilities and general market practice. The remuneration of Non-Executive Board Members includes both regular basic remuneration for Board membership and Board Committee meeting attendance fees. The Non-Executive Board Members do not receive annual incentive awards or stock options and are not entitled to pension rights. Non-Executive Board Members can also receive remuneration from the subsidiaries at which they hold board positions and such remuneration will be disclosed in the Annual Report. Non-Executive Board Members are not entitled to any termination indemnity. The remuneration of Executive Board Members is related exclusively to their executive positions.

4.2. REMUNERATION POLICY FOR EXECUTIVE COMMITTEE MEMBERS

Remuneration of Executive Committee members is determined by the Board, on the recommendation of the Remuneration Committee (RC), and included in the remuneration report that is submitted to the General Meeting of Shareholders for approval. Both the levels and structure of remuneration of Executive Committee members are analysed on an annual basis. At the initiative of the RC, the competitive positioning of Ageas's remuneration is regularly reviewed by, and discussed with, a leading international firm of compensation and benefits consultants which does not provide compensation and benefit services to the Executive managers or to any other manager of the Ageas organisation.

Remuneration of Executive Committee members is designed to:

- ensure the organisation's continued ability to attract, motivate and retain executive talent in an international marketplace;
- promote the achievement of demanding performance targets and long-term sustainable growth in order to align the interests of executives and shareholders in the short, medium and long term; and
- encourage, recognise and reward both strong individual contributions and solid team performance.

The reward package for Executive Committee members reflects a concept of integrated total compensation, combining the following major components of pay: base pay, annual incentive (short-term performance-related bonus), long-term incentive, pension and fringe benefits

In calibrating the various remuneration components, the objective is to position the overall remuneration levels in line with the relevant market compensation practices. The relevant reference market taken into account are the BEL20 reference market (excluding AB Inbev) and the European Insurance reference market based on a peer group of companies.

The variable components are subject to a maximum. Part of the total compensation package of Executive Committee members consists of variable remuneration and is therefore "pay at risk". At target levels this part of the compensation represents 50% of the basic base pay for the short-term performance related incentive and 45% for the long-term incentive. The maximum levels of variable compensation are monitored by the RC and can be adjusted when required by changes in the regulatory framework.

The total reward package is part of the Executive Committee member's contract, the main elements of which also include the retirement date, termination clauses and various other clauses such as confidentiality and exclusivity.

As from 1 January 2010 contracts provide for maximum severance pay of 12 months base salary and an annual incentive (total cash compensation) for members of the Executive Committee in the event of termination without cause. In specific circumstances such as seniority in excess of 20 years, circumstances related to health and other cases to be determined by the RC, higher severance pay (up to a maximum of 18 months of base salary and an annual incentive) is allowed upon the recommendation of the RC. Financially compensated non-compete provisions may be made.

Base compensation

Base pay levels are determined per executive position for top management and are intended to compensate the Executive Committee members for their position's responsibilities and their particular set of competencies. These levels take into consideration generally prevailing market rates for equivalent positions and are subject to annual review. There is, however, no mechanism for automatic adjustment.

Annual incentive (short-term incentive)

The annual incentive is designed to encourage, recognise and reward strong individual contributions by Executive Committee members as well as solid performance as head or member of the Executive Committee.

The annual incentive is determined by the Executive Committee member's actual performance on the basis of pre-agreed performance criteria (key performance indicators (KPIs)).

“On target” performance results in the award of an annual incentive equal to 50% of the annual base pay of the Executive Committee member. Outperformance results in an annual incentive of up to 100% of base pay. The annual incentive can, therefore, range from 0% to 100% of base pay.

Performance measurement level of the Executive Committee Member	Relative weight of KPIs
Corporate business performance (group objectives, both quantitative and qualitative)	70%
Individual performance (personal objectives linked to responsibilities of function)	30%
Total	**100%**

Business performance is measured on the basis of key performance indicators determined by the Board. Performance targets at group and operating company level are set by the Board on an annual basis taking the relevant budgets into account. The KPI’s that are determined by the Board incorporate criteria reflecting the growth of net profit, ROE, the cost and quantity of capital required, the risks assumed in the conduct of the business, the cost levels and the value creation.

The annual incentive is paid in cash, but payment is spread over three years. The portion of the annual incentive earned over year N to be paid out in the first year may not exceed 50% of the total awarded amount. A significant portion is deferred for one year and paid in year N+2, subject to the achievement of sustained performance over years N and N+1. A final portion is deferred for two years and paid in year N+3, again subject to the achievement of sustained performance over years N up to and including N+2. The deferred parts of the annual incentive therefore remain at risk.

Paid-out bonuses will be reclaimed in the case of fraud or material misstatement.

Long-term incentive

The long-term incentive plan is designed to:

- encourage and support the creation of shareholder value and ensure that the Executive Committee members, like the shareholders, share in the Company's successes and setbacks;
- provide the opportunity for Executive Committee members to receive, within their overall package, competitive rewards for performance as a result of sustained group performance over a longer period of time; and
- enable the organisation to outperform a group of peers in the market, and also take into account the growth potential of ageas SA/NV shares.

For each Executive Committee member the Board decides a maximum value for the long-term incentive of up to 90% of annual base pay. The long-term incentive is paid exclusively in the form of performance shares. These shares are ordinary shares and may only be sold after 31 December of the fifth year following the end of the year over which the performance is assessed. Any restriction on the sale of the vested shares shall, however, end six months after termination of the professional relationship between Ageas and the Executive Committee member.

The shares are qualified as "performance shares" in view of the fact that their granting is dependent on the performance of ageas SA/NV shares and their vesting depends on the business performance of ageas SA/NV over a period of three and a half years, so as to take sustainability into account. Vesting further assumes that the Executive Committee member is employed by Ageas during the entire reference period. At the time of vesting, the Executive Committee member will be allowed to sell a maximum of 50% of those shares within ten days in order to finance any tax liabilities associated with the grant.

The number of performance shares granted under the long-term incentive plan is determined annually on the basis of the following key features:

- initial grant: The grant is determined on the result of the Ageas business score over the previous working year and according following grid:

Ageas Business score	% Grant	Exco (45% target)
< 3	No granting	-
3	50 % of target	22,5% of base pay
4	100 % of target	45 % of base pay
5	150% of target	67,5% of base pay
6 or 7	200 % of target	90 % of base pay

- The number of shares in the initial grant is calculated by dividing the initial grant value determined by the Board by the value of ageas SA/NV shares at the time of the grant. The maximum number of shares in the initial grant may never exceed the maximum percentage (90%) of annual base pay.

- the long-term incentive is delivered in the form of performance shares and vesting is conditional upon the continuance of the professional relationship: the long-term incentive for year N will not vest until year N+4, subject to the attainment of a sustained performance over the four-year period and will be adjusted as explained below;

  - As for the LTI – plans launched before 2017 - the final number of shares to be vested (at June N+4) will be calculated as the number of shares initially granted, multiplied by the ratio of the TSR ranking of the period 1/1/N to 31/12/N+3 over the TSR ranking over year N (TSR or Total Shareholder Return).

  - As of the LTI- plan for 2017 , the number of granted shares at vesting will be adjusted according the TSR ranking of Ageas in a peer group of companies over the elapsed performance period with following leverage:

Percentile TSR ranking 3 years	Vesting %
≥ 75%	200%
≥60%-<75%	150%
≥40%-<60%	100%
≥25%-<40%	50%
<25%	0%

    - The total shares attributed at vesting will never exceed 90 % of base compensation. (absolute cap).

- in the structure of the annual incentive and the long-term incentive, the alignment of performance, risk and remuneration is taken into account by incorporating elements of risk management and control in the structure of these incentives:

- in the annual incentive: through the choice of the KPIs (including the risk and cost of capital adjusted features of such KPIs), the deferred component and the sustained performance requirement in the two years following the performance year;
- in the long-term incentive: through the deferred vesting mechanism combined with sustained performance in the period prior to vesting, i.e. the vesting of performance shares at the end of the three and a half year period is not only dependent on the continuous professional relationship of the Executive Committee member but also on sustained performance during the full period prior to the actual vesting of the shares, and through the mandatory blocking of the shares for five years, which provides a clear alignment of the interests of the Executive Committee member and those of Ageas shareholders. Consequently, any excessive risk taken would ultimately be reflected in the share price.

Discretionary authority

The Board of Directors has the discretionary power to adjust variable remuneration components (annual incentive and long-term incentive) either upwards or downwards in those cases where the implementation of the Remuneration Policy would result in unintended or undesirable effects.

Pension and other remuneration components

The Executive Committee members participate in Ageas's pension schemes. These schemes are in line with prevailing market practices in Ageas's geographic environment. For the members of the Executive Committee this is a defined contribution plan. These schemes provide retirement and pre- and post- retirement survivors' pensions or their lump sum equivalent. Other benefits, such as medical and other insurance coverage, are provided in line with competitive practices in the market where the member is employed.

Adoption of Remuneration Policy

The policy described above replaces the previous one and was approved and adopted by the General Meeting of Shareholders.

With respect to managers who are not members of the Executive Committee, the Board has decided to adopt the same principles as apply to the Executive Committee members, adapted mutatis mutandis to local markets, practice and legislation. A long-term incentive can only be provided to members of the Management Committee.

The Board has the authority to amend the Remuneration Policy as it sees fit, on the basis of recommendations made by the RC and in compliance with the prerogatives of the General Meeting of Shareholders.